

Reno Sparks Tahoe
Economic Development Authority
OF WESTERN NEVADA

Washoe County Update
Mike Kazmierski, President and CEO
September 23, 2014

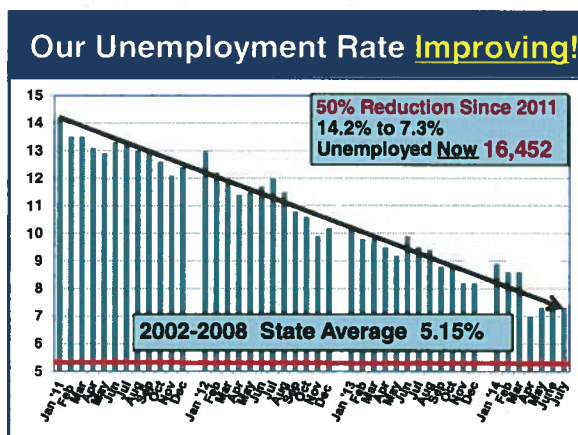
What Does EDAWN Do?

An Effective Economic Development Program

- **Attracts**
- **Retains / Expands**
- **Grows**

Quality Jobs!

Reno Sparks Tahoe Economic Development Authority



EDAWN's Focus

"Primary" or "Base" Jobs!

- Majority Of Customers **Outside** The Region
- External Customers **Add Wealth** To Community

1. Tax Dollars & Wages Of Employees
2. Investments Of Building / Equipment
3. Generates Additional Jobs - **Multiplier Effect**
4. Replaces Lost Jobs & Provides Opportunity
5. **Quality Jobs** (\$20.00 Per Hr + Benefits)
6. 90% + Of Jobs Filled By Existing Residents

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Three Legs Of Economic Development

Attraction

Retention / Expansion

Entrepreneurial / Start Up Growth

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FY 2013-2014 Relocated Companies

Company	5Y Jobs	Avg. Wage	Industry	State	H Q
1. Swank (Randa)	120	15.00	Distribution	MA	
2. Lincoln Cutting	25	24.80	Manufacturing	OH	X
3. Alfa Aesar	100	18.24	Distribution	MA	
4. Tropical Foods	20	12.00	Manufacturing	FL	
5. South/Win	20	15.00	Manufacturing	NC	
6. Gariok Printing	175	17.93	Manufacturing	MA	
7. One World Science	22	22.36	Manufacturing	CA	X
8. Innovative Drive	12	21.03	Service	CA	X
9. Havelock Wool	15	15.00	Manufacturing	NEWZ	X
10. Chesapeake Spice	50	16.20	Manufacturing	MD	

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A- 9/23/14
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FY 2013-2014 Relocated Companies

	Company	5Y Jobs	Avg. Wage	Industry	State	H Q
11.	San Mar	90	16.00	Distribution	NV	
12.	Real Spirit	50	22.00	Manufacturing	CA	
13.	Weaver Popcom	150	23.49	Manufacturing	IN	
14.	Amerijet	15	29.00	Service	FL	
15.	Beaverfit	25	29.44	Manufacturing	UK	X
16.	Ind.Salon Services	10	30.00	Distribution	CA	
17.	Filtrey	4	20.00	Manufacturing	AUS	X

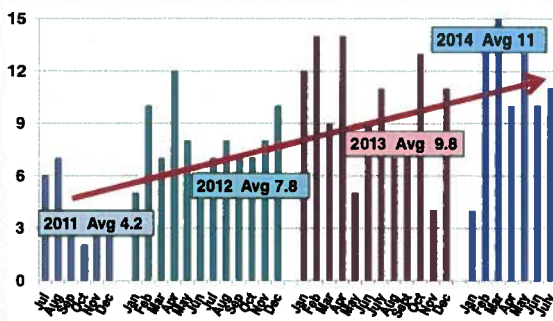


FY 2013-2014 Expansion Companies

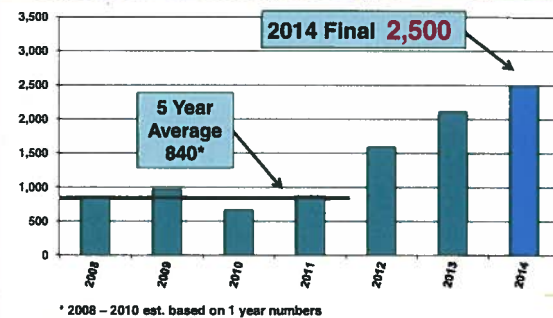
	Company	Jobs	Avg. Wage	Industry
1.	Intellisource	50	12.50	Staffing
2.	Cashman	15	24.56	Manufacturing
3.	VEKA	25	12.39	Manufacturing
4.	Video Gaming Tech	18	38.49	Software Development
5.	Pacific Cheese	32	16.58	Manufacturing
6.	Kings Valley Clay	12	25.01	Manufacturing
7.	SK Food Group	100	10.50	Distribution
8.	Eco Windows	12	16.00	Distribution
9.	zully	1000	12.71	Distribution
10.	Custom Ink	261	15.38	E-Commerce
11.	Bilne Cooper	49	19.11	Manufacturing
12.	Gensano	2	20.00	Biotech
13.	Adv Ref Concepts	12	19.43	Manufacturing
14.	James Hardie	9	24.62	Manufacturing



Prospects Visits Per Month



EDAWN Assisted New Jobs FY '08-'14 (5 Year Numbers Based On Company Estimate)



Hot Prospects!

Industry	Job Count	HQ	Relocation State
Manufacturing	700		NY
Service	600	X	CA
Manufacturing	350	X	NJ
Call Center	500		CA/WA
Distribution	120	X	KY
Manufacturing	100		TAIWAN
Manufacturing	60	X	NC
Service	500		OH
Manufacturing	600		IL
Distribution	800		PA
Manufacturing	500		Europe
	4830	4	



Projected Announcements

Industry	Job Count	HQ	Relocation State
Distribution	350		CA
Manufacturing	300	X	NJ
Manufacturing	30		OH
Service	30		CA
Manufacturing	21	X	NV
Manufacturing	20	X	CA
Service	18	X	CA, FL, OR
Manufacturing	15		CA
Distribution	10		IL
	794	4	



EDAWN's Plan – Retention / Expansion

- Initiate An Aggressive **Visitation** Program
- Work To **Solve Existing Industry Problems**
- Advocate To Improve Business Climate
- Facilitate **Business-to-Business Interaction**
- Drive Sector And **Cluster** Advancement
- Transition And **Support New Companies**
- Identify Attraction Opportunities



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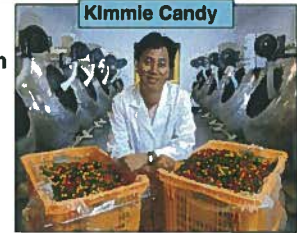
EDAWN's Retention / Expansion

• This Is Important !

- **1,597 New Jobs** From The Expansion Of Existing Companies

- Our High Growth Companies **Are Being Courted**

- Relationships With Existing Industry Provides **Opportunities For Attraction**



Kimmie Candy



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Components to BR&E Program

- **Connect** with resources and each other
- **Grow Jobs/Revenue/Visibility**
- **Fix problems/Eliminate roadblocks**
- **Retain/Recognize**
- **Support**
- **Think Local**



Examples of **Issues** Addressed

- **Government Friction** - State/Local
- **Workforce** - Senior Positions/Technology/Niche
- **Workforce** - Retention At Low End
- **Lack Of Community Connections**
- **Utilities** - Timeliness
- **Real Estate**
- **Funding**



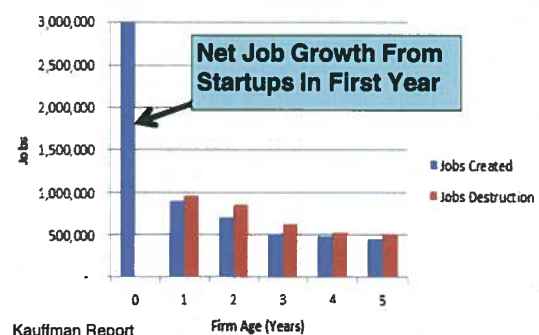
EDAWN's Goals – Entrepreneurial Job Creation

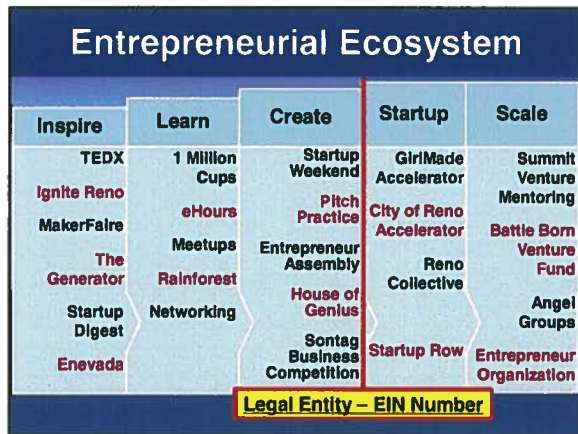
- Work With Partners To **Develop And Implement An Entrepreneurial Continuum**
- Assist Partners To Increase **Capital** Available To Entrepreneurs - \$10M Goal
- Support Partners In **Attracting And Retaining Skilled Entrepreneurial Talent**
- Foster Regional Incubation Of Start-Ups
- Promote **Research, Development & Commercialization Efforts At UNR / DRI**



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Why Entrepreneurial Development?





How We Stack-Up ! New In The Past 2 Years

- Nationally:** Nevada Doubled Its Entrepreneurial Activity Rate
- Reno 1st** For Highest Startup Density Mid-Sized City
- One Of **Best Cities** For Mid-Career Professionals

- Startup Weekend
- 1 Million Cups
- House of Genius
- TEDx
- Maker Faire
- Girlmade

- Entrepreneurs Organization (EO)
- Hackathon's
- Sontag

* Statistics: Kauffman Foundation and Richard Florida

The Future of Downtown Reno

- Facilitating **Mentorship**
- New Funding** Opportunities For Startups Like
- Events** That Encourage Cross-Collaboration
- Startup Activity Downtown - **Start Up Row!**

“Biggest Little” Startup Community

Northern Nevada – The Place For Entrepreneurs **With A Life!**

EXPAND YOUR BUSINESS

ENJOY YOUR LIFE

Reno Sparks is home to 150 days of sunshine. Get your business moving and growing in the heart of the Northwest.

Find a community of like-minded entrepreneurs. Join the Sparks and enjoy a high quality of life.

EDAWN “Product Improvement”

- Working With Partners To **Establish “A Place”** For Entrepreneurs Downtown
- Promoting A Vision** For Our Community As A “College Town” Embracing UNR As The Economic Engine Of Our Future Economy
- Encourage More **Marketing Of Our Local Businesses**, To Show We Have More Than Gaming (Only 8%)
- Develop A **Business And Quality Of Life Message** For Our Community

Reno Sparks
Economic Development Activities
© 2010 Sparks

Diversified Business Marketing Campaign

EXPAND YOUR BUSINESS

ENJOY YOUR LIFE

Companies are more profitable in Nevada. Marketing is much more in going in the future.




Find a community of like-minded entrepreneurs. Join the Sparks and enjoy a high quality of life.

Reno Sparks
Economic Development Activities
© 2010 Sparks

Tesla:

The Deal

The Impacts

The Deal – What Tesla Gets

- \$725 M: 100% Sales Tax Abatement (20 yrs) **
- \$332 M: 100% Real & Personal Prop Abate (10 Yrs)
- \$ 75 M: 100% Modified Business Tax Abate (10Yrs)
- \$120 M: Transferable Tax Credits on \$3.5 B
- \$ 8 M: Discounted Utility Rates
- \$ 43 M: Nevada To Extend USA Parkway – Land
- \$ Unk : Cost To Build The USA Parkway Extension

Package Totals \$1.25 B over 20 years

Performance Based Incentives!

Mostly Abatements: Taking Less From Tesla

****Most States Do Not Charge On Equipment**

The Deal – What Nevada Gets

- \$100 B in Economic Impact
- 6,500 Direct Jobs Paying \$25/hr +
- 16,000 Indirect Jobs
- 3,000 Construction Jobs
- \$1.9 B Indirect Tax Revenue Over 20 years
- \$37.5 M For Education
- **Priceless:** Improvement In Reno-Sparks Brand

Mega-Deal Incentives

Tesla Incentives: Good Bargain For NV

- Mostly **Performance Based** / **Little Up-front Cash**
- NPV < \$1.25b (Taxes Not Paid In The Future Worth Much Less)
- On Per Job Basis, Or NPV Basis, Not In Top 10 Incentive Packages
- Some States Don't Disclose Value Of Tax Abatements/ Or Use NPV To Reduce Disclosed Amount

Volkswagen: \$1B Investment / 2,000 Employees

Up-front cash outlays	\$316,000,000
<ul style="list-style-type: none"> • Land: 1340 acres + 1200 acres • Site prep • Roadway improvements • Rail improvements • Training • Utility infrastructure • Other (supplier incentives; marketing support; temporary office space; enhanced 1st responder services) 	(\$158,000 per job)
Tax abatements	\$262,000,000 (NPV)
<ul style="list-style-type: none"> • 30 Property Tax Abatement • No Inventory tax • Franchise tax abated • Refundable relocation credits 	
Total Incentives	\$578,000,000 (NPV)
	(\$289,000 per job)

Source: University of Tennessee, Center for Business & Economic Research, Report on Impact of Volkswagen Project Note: M&E statutorily exempt from Sales Tax; value not included above.
 Property discounts by TVA not included above

Project D: \$1B investment / 700 employees

Up-front cash outlay	\$81,700,000
<ul style="list-style-type: none"> • Site prep • Infrastructure • Training (OJT/ Travel reimbursement; Training Center) • Relocation expenses 	<ul style="list-style-type: none"> • \$20,000,000 • \$28,000,000 • \$32,700,000 • \$1,000,000
Performance cash grants	\$49,200,000
<ul style="list-style-type: none"> • \$5M year over years 2-5 • 6% payroll rebate over 10 years 	<ul style="list-style-type: none"> • \$20,000,000 • \$29,200,000
Total Cash Outlay	\$130,900,000
	(\$187,000 per job)
Property Tax Abatement	\$300,000,000
<ul style="list-style-type: none"> • 20 years total abatement • 20 – 30 years partial abatement 	
Total Incentives	\$430,900,000:
	(\$616,000 per job)

Other Mega-deals, Once Subject To Heavy Criticism, **Now Draw Praise**

-luring **Toyota** has helped change the image of **Kentucky**, making it more attractive to other businesses..."
Larry Hayes, Kentucky's Economic Development Secretary, quoted on Toyota's 25th Anniversary
- "Mercedes move to **Alabama** is often viewed as transformational....For Alabama, Mercedes put a chink in its backwoods image and catapulted the state onto an elite international stage in business recruiting."
Dawn Azok, Auto Reporter, Alabama Media Group, reporting on Mercedes 20th anniversary in Alabama

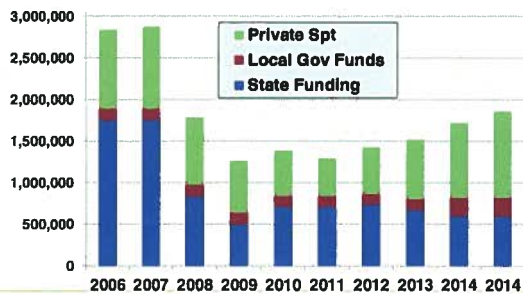


Are We Ready For Tesla?

- **The Positives!** Many – See Handout
- **The Concerns:**
 - Modest Traffic Increase Especially In Sparks
 - Cost Of Living / Housing Increases
 - Limited Housing / Rental Availability
 - Availability Of Workforce
 - Retention Of Workforce
 - Shortage Of Construction Workers
 - Need To Grow Government Services



EDAWN Funding Sources



Regional Public / Private Partners

City of Reno	UNR	State Offices
City of Sparks	TMCC	Nevada JobConnect
City of Fernley	DRI	Nevadaworks
Washoe County	The Chamber	NNDA
Storey County	C4Cube	NV Energy
Washoe County School District	NCET	Reno-Tahoe Airport Authority
GOED		Renegades
DETR	RSCVA	Many Others !



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Questions?

EXPAND YOUR BUSINESS

ENJOY YOUR LIFE



Reno/Sparks is home to Fortune 500 companies, like Amazon and Apple. And hosts over 500 net events during the month-long ARAOWN celebration.

*Event dates available at www.araown.com
Call 800.254.8761 or visit expandingyour.com

partner together

Special Thanks To The Washoe County Commissioners and Staff



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